

STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

RESOLUTION

Subject: Reimbursement to State, School,
and Public Agency Employers of
Elected Board Members

No: 03-07-BD

- Whereas 1** Government Code section 20120 charges the Board of Administration of the Public Employees' Retirement System ("CalPERS") with the administration and management of the Public Employees' Retirement System ("the System").
- Whereas 2** Government Code section 20171 charges the CalPERS Board with the exclusive control of the administration and investment of the Public Employees' Retirement Fund ("the Fund").
- Whereas 3** Under Government Code section 20099, the CalPERS Board may appoint a committee of one or more of its members, or may delegate authority to the chief executive officer, to perform any act within its power.
- Whereas 4** The term "elected Board members" refers to the six members elected by the membership of CalPERS.
- Whereas 5** Government Code section 20092 provides that a public employer of an elected CalPERS Board member, which employs a person to replace the member while he or she is attending Board meetings, attending Board committee or subcommittee meetings, serving as a panel member, or when carrying out other powers and duties as approved the Board, shall be reimbursed from the Fund for the direct and reasonable costs incurred by employing a replacement.

THEREFORE, BE IT RESOLVED:

- (A) That the CalPERS Board shall reimburse, from the Fund, the public employers of elected Board members the direct and reasonable costs incurred by employing a person to replace the member while he or she is fulfilling his or her responsibilities or duties to CalPERS.

- (B) That, in making these reimbursements, the Board will consider the following to be direct and reasonable costs of employing a replacement:

The actual out of pocket expenses incurred by the public employer in replacing the member. Out of pocket expenses shall include, but are not limited to, the salary and benefits payable to the replacement and any other costs that are directly related to hiring and retaining a person to replace the member while he or she is fulfilling his or her responsibilities or duties to CalPERS.

- (C) Reimbursement shall be provided to the public employer of a CalPERS elected Board member only upon certification by both the Board member and his or her employer as to the amount of reimbursement necessary to compensate the employer for the actual out of pocket expenses incurred by the public employer in replacing the member.

- (D) That the authority under this Resolution is subject to all of the following:

(1) The individual Board members must discharge their duties solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions to the System, and defraying reasonable expenses of administering the System, with the duty to participants and their beneficiaries taking precedence over all other duties.

(2) The individual Board members must discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(3) The Board shall make its determinations based upon factual findings and all determinations must be documented to the Board.

- (E) As provided in Government Code section 20092, costs incurred in employing a replacement on or after February 1, 2003 are subject to reimbursement under this Resolution.

- (F) All previously dated delegations in this regard, including without limitation No. BD-94-100, are rescinded.

I hereby certify that this Resolution was adopted on February 19, 2004.

SEAN HARRIGAN, President
Board of Administration
California Public Employees' Retirement System